



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax ♦ www.cityofmidlandmi.gov

TO: Members of the Midland LDFA Board

FM: David A. Keenan, LDFA Secretary

DT: January 5, 2021

RE: LDFA prep notes for 1-12-2021 Board Meeting

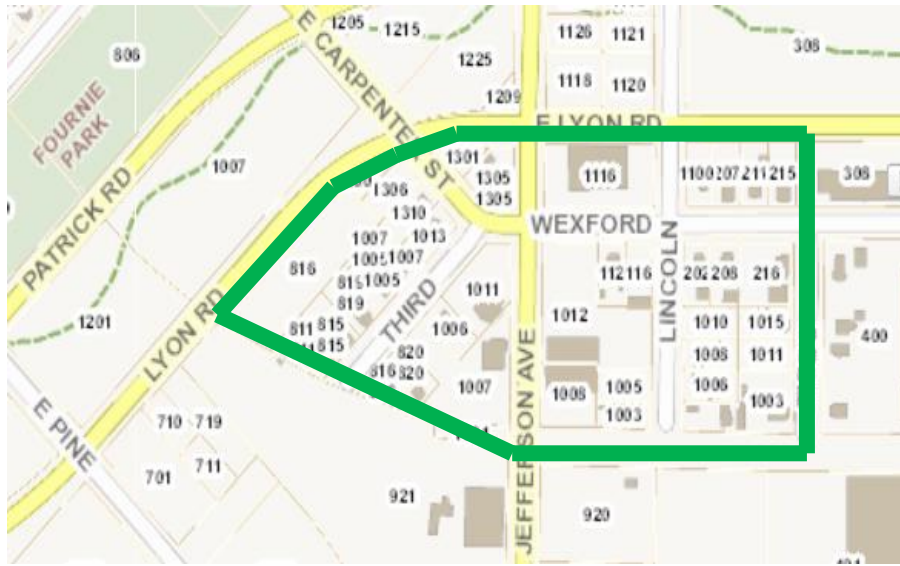
Since we meet so infrequently, and you all are involved in a million different things, I thought I would take a moment to refresh your memory about LDFA matters. LDFA is short for the Local Development Finance Authority. The LDFA is a component of the City of Midland, and is intended to be a tool to fund public infrastructure improvements. The LDFA was created in 1999 pursuant to Public Act 281 of 1986 and is funded primarily by tax increment finance dollars, donations and grants. Prior to 2014 the LDFA operated jointly with the Midland Brownfield Redevelopment Financing Authority. However, in 2013 the Michigan Economic Development Corporation conditionally approved the **SmartZone** designation for the City of Midland which required some changes be made to the board.

The structure of the LDFA board was changed to include representation of seven members appointed by the City Manager and approved by Council, two members from Midland Public Schools, one member from Midland County, and one member from Delta College. The current board members follow:

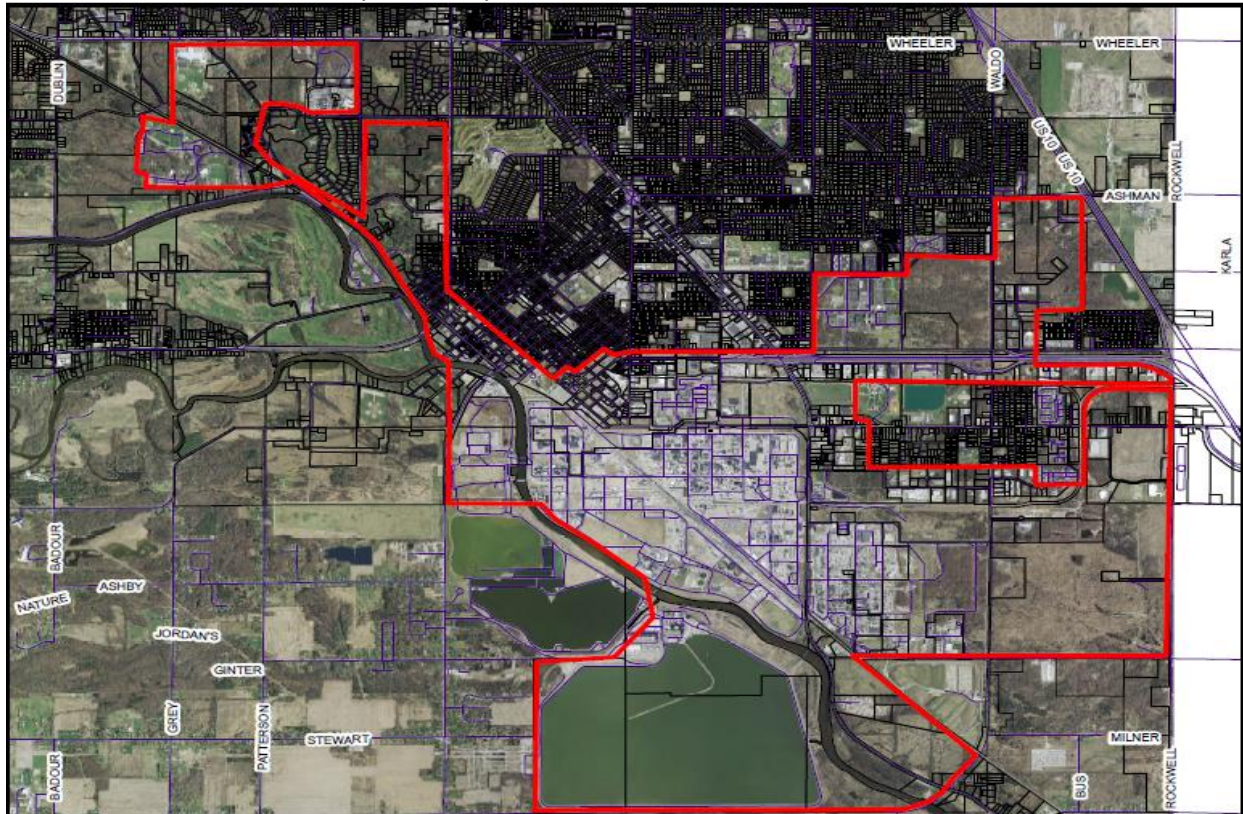
City Council Approved	Employer	Term Ends
Rebecca Cox (VICE CHAIR)	Savant	12/1/2022
John Bartos	JS&B Associates	12/1/2023
Brian Brown	Dow	12/1/2022
Bryan Kriz	Corteva	12/1/2022
Dan Kozakiewicz	Three Rivers Corporation	12/1/2022
Meleah Retzliff	1st State Bank	12/1/2022
Jenee Velasquez	Herbert H. & Grace A. Dow Foundation	12/1/2021
Representing Midland County		
Bridgette Gransden (CHAIR)	Midland County	12/1/2022
Representing Midland Public Schools		
Brian Brutyn	Midland Public Schools	12/1/2022
Michael Sharrow	Midland Public Schools	12/1/2022
Representing Delta College		
Susan Dufresne	Delta College	12/1/2022

Here is a textbook definition of what the Midland SmartZone is: ***The Midland SmartZone is a certified technology park that facilitates the capture of certain taxes, through tax increment financing, for use by the Local Development Finance Authority to create or promote the development and attraction of high technology companies to the designated SmartZone.***

See below for a visual of where the Midland SmartZone is located. Revenues that are received are eligible to be invested into this area. All city taxes except debt and half of the State Education Taxes (3 mills) levied on properties within this district are captured via TIF.



There is a second area that captures only half of the SET and that area is shown below.



For Tax Increment Financing tracking purpose we separate the two districts. SmartZone #1, the larger geographic area of the two only captures SET. SmartZone #2 is the actual SmartZone area and captures both City and SET. Both SET and City taxes are levied in the summer only. Unfortunately, in SmartZone #2, some buildings were demolished in the first year of the SmartZone’s existence which reduced the overall taxable value so tax capture has been negative until there is future investment.

The schedule below shows the taxes captured for the year ended June 30, 2020.

	City Captured	SET Captured
SmartZone #1 - SET Only		
Summer taxes	N/A	77,545.61
Winter taxes	Summer Only	Summer Only
SmartZone #2 - SET and City		
Summer taxes	Negative	Negative
Winter taxes	Summer Only	Summer Only

The SmartZone had \$281,266 in accumulated unspent earnings as of June 30, 2020.

Representatives of the Midland Business Alliance, who manage the SmartZone operations, will be present at the meeting to update the board on plans and opportunities for the SmartZone.



City Hall ♦ 333 West Ellsworth Street ♦ Midland, Michigan 48640-5132 ♦ 989.837.3300 ♦ 989.835.2717 Fax ♦ www.cityofmidlandmi.gov

REGULAR MEETING OF THE MIDLAND LOCAL
DEVELOPMENT FINANCE AUTHORITY
City Hall, 333 W. Ellsworth Street, Midland, Michigan

January 12, 2021

2:30 P.M.

Following Senate Bill 1108, as well as the Michigan Department of Health and Human Services (MDHHS) Epidemic Order under MCL 333.2253 requiring social distancing and allowing meetings of public bodies to be held electronically, this meeting will be conducted via videoconference. The City of Midland will utilize Zoom to conduct this videoconference meeting.

AGENDA

To join via videoconference, go to:

<https://zoom.us/join> ~ Webinar ID: 832 4121 3849 ~ Password: 662526

To join via telephone, dial:

1 (312) 626-6799 ~ Webinar ID: 832 4121 3849 ~ Password: 662526

CALL TO ORDER – Bridgette Grandsen

ROLL CALL -

- John Bartos
- Bryan Brown
- Brian Brutyn
- Rebecca Cox
- Sarah DuFresne
- Bridgette Grandsen
- Bryan Kriz
- Dan Kozakiewicz
- Meleah Retzloff
- Michael Sharrow
- Jenee Velasquez

1. Approval of the December 19, 2019 LDFA Board Minutes
2. Presentation - Status update on the SmartZone by Tony Stamas and Nicole Wilson from the Midland Business Alliance
3. Old business – none
4. New business
5. Adjournment

**MIDLAND LOCAL DEVELOPMENT FINANCING AUTHORITY
(draft) Minutes – December 19, 2019**

A regular meeting of the Midland Local Development Financing Authority was held on Thursday, December 19, 2019 at 10:00 AM in Council Chambers of Midland City Hall.

The meeting was called to order by Secretary David Keenan at 10:01 AM

Members present: John Bartos, Bryan Brown, Brian Brutyn, Rebecca Cox, Sarah DuFresne, Bridgette Gransden, Bryan Kriz, Dan Kozakiewicz, Meleah Retzloff, Michael Sharrow, and Jenee Velasquez

Members absent: None

Others present: David Keenan, Assistant City Manager, Tony Stamas and Tracy Quinlan, Midland Business Alliance.

MINUTES

There were no prior meeting minutes to come before the Board for consideration.

Mr. Keenan provided the Board with some very general information about the LDFA and SmartZone, recent law changes, and a brief summary about the mechanics behind tax increment financing (TIF).

SELECTION OF LDFA CHAIRPERSON AND VICE-CHAIRPERSON

After soliciting interest in the positions of chair and vice-chair it was moved by Bartos and seconded by Velasquez to appoint Bridgette Gransden to the position of LDFA Chairperson, the Motion was unanimously approved.

It was next moved by Gransden and seconded by Velasquez to appoint Rebecca Cox to the position of LDFA Vice-Chairperson. The motion was also unanimously approved.

THE MIDLAND SMARTZONE UPDATE

Tony Stamas of the Midland Business Alliance presented an overview on the LDFA and SmartZone. The Board discussed the two different SmartZone TIF districts, together with their associated taxable values, captured taxable value, and captured tax revenue. Due to the lack of growth in the City's taxable value, tax capture has been minimal since the SmartZone's inception, with the smaller district being a negative capture. Start up and operating costs for the first few years were funded by foundation donations. There has been no activity in a couple of years.

With there being no further business to come before the Authority the meeting adjourned at 10:21 AM.

Respectfully submitted,

David A. Keenan
Assistant City Manager
Midland LDFA Secretary